

10 July 2024

The Gym Group plc
("The Gym Group" or "the Group")

Pre-close trading update

Leading low cost gym operator, The Gym Group plc, is pleased to announce that positive trading trends have continued in H1 2024 with good growth in membership and yield. For the period ending 30 June 2024, revenue has increased by 12% to £112.1m (H1 2023: £99.8m) with membership of 905,000 as at 30 June 2024 compared with 867,000 at 30 June 2023 and 850,000 at 31 December 2023. H1 average revenue per member per month ('ARPM') was up 9% to £20.44 (H1 2023: £18.81). Like-for-like revenue grew 9% year on year^[1]. In H1 2024, the Group opened four new gyms taking the total to 237, and we are in the fitout stage of the next four sites which will open shortly. We remain on track to open a total of 10-12 new gyms by the year end, as guided.

With further strong cashflow generated in the first half, net debt as at 30 June 2024 was £54.6m, compared with £66.4m at the 2023 financial year end. On 28 June 2024, The Gym Group completed a refinancing of its bank debt with its existing banking group comprising NatWest, HSBC and Barclays. The new three-year facility is made up of a £45m Term Loan and £45m Revolving Credit Facility, at a minimum annual interest rate of 2.75% above SONIA. Terms permit the distribution of surplus cashflow to shareholders in line with our capital allocation policy, which prioritises organic growth.

The Group's interim results for the six months to 30 June 2024 will be announced on 11 September 2024.

Will Orr, CEO of The Gym Group, commented:

"We are making encouraging progress with our strategic priorities under our Next Chapter growth plan, delivering good growth in membership and yield. We have further strengthened our financial position, whilst stepping up our opening programme in line with our target to open 50 high quality sites over the next three years, funded from free cashflow. After a strong first half, we expect to deliver full year results at the higher end of market expectations^[2]."

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Notes for editors:

The Gym Group was a pioneer of the low-cost gym model, and now operates 237 high quality sites across the UK. These gyms offer 24/7 opening and flexible, no contract membership. As at 30 June 2024, there were 905,000 members nationwide. Our gyms have over 60 million visits per annum, score highly on member satisfaction and are consistently rated "excellent" on Trustpilot. The Gym Group is the UK's first carbon neutral chain of gyms.

[1] Like-for-like Revenue vs H1 2023 includes all sites open as at 31 December 2021

[2] Current Company-compiled analyst forecast range for EBITDA Less Normalised Rent is £38.0m-£43.1m

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